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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/604,752	08/14/2003	Michael G. Siefe	205402042003	1751
26496	7590	05/04/2005	EXAMINER	
GREENBERG & LIEBERMAN 314 PHILADELPHIA AVE. TAKOMA PARK, MD 20912			GOTTSCHALK, MARTIN A	
			ART UNIT	PAPER NUMBER
			3626	

DATE MAILED: 05/04/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b>		<b>Applicant(s)</b>	
	10/604,752		SIEFE ET AL.	
	<b>Examiner</b>		<b>Art Unit</b>	
	Martin A. Gottschalk		3626	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 08/14/2003.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-17 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-17 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 08/14/2005 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

*JP*

**DETAILED ACTION**

1. Claims 1-17 have been examined.

***Claim Rejections - 35 USC § 112***

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claim 16 recites the limitation "said guarantee". There is insufficient antecedent basis for this limitation in the claim. For the purpose of examination, the Examiner assumes the guarantee is the same as provided for in claim 8, namely a level of income.

***Claim Rejections - 35 USC § 102***

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this

Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

5. Claims 1-16 are rejected under 35 U.S.C. 102(b) as being anticipated by Burgess (US Pat#5,966,693, hereinafter Burgess).

- A. As per claim 1, Burgess discloses an insurance method comprising:

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receiving benefits from an owner or insured's existing insurance policy  
(Burgess: col 1, Ins 32-39. The Examiner considers the employer being named as beneficiary of the employee's policy to be a form of receiving benefit's from an owner or insured's existing policy);

charging an owner or insured a premium for a new insurance policy  
(Burgess: col 2, Ins 55-59; col 5, Ins 11-14).

calculating said premium based on AHL factors with a data processing apparatus (Burgess: Figure 3, item 126, reads on "PREMIUM = f(...., AGE, ....)"; col 5, Ins 23-44); and

transferring at least a portion of said benefits from said owner or insured's existing insurance policy to an entity (Burgess: col 4, Ins 56-58, reads on "...employee agrees to collaterally assign...).

B. As per claims 2 and 11 Burgess discloses a method, further comprising calculating said premium based on QC factors (Figure 3, item 126, reads on "PREMIUM = f(DEATH BEN.,....RETURN)"; col 8, Ins 8-14).

C. As per claim 3 Burgess discloses a method wherein said entity is a beneficiary (Burgess: col 1, Ins 32-39, reads on "...naming the employer as beneficiary...).

D. As per claim 4, Burgess discloses a method wherein

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said entity is a new insurance carrier (Burgess: col 8, Ins 26-29, note the “lender” receives a transfer of policy benefits. Note further Burgess: col 11, Ins 26-28, which indicates a “financial institution” is making the loan, i.e. is a “lender”. The Examiner considers an insurance carrier to be a form of financial institution.)

E. As per claim 5, Burgess discloses a method wherein

said premium is lowered in proportion to the lower said insured's health (Burgess: col 5, 23-44. Note that “health status” is considered a “qualitative factor” input into the processor to determine the premium. It is not specified whether a relatively lower health status results in a higher or lower premium. For the purpose of examination, the Examiner considers the latter to be the case.).

F. As per claim 6, Burgess discloses a method wherein

said new insurance company reduces reserves needed for claims (Burgess: col 5, 23-44. Note that “life expectancy” is considered a “qualitative factor” input into the system of Burgess. Furthermore, as the applicant notes in paragraph [0042] of the “Detailed Description” section of the current application, life expectancy is a factor used by regulators to determine reserve requirements, namely the longer the life expectancy, the lower the reserves required. The Examiner notes that the invention of Burgess is not limited to accepting life expectancies of specific or constrained durations. Thus to the extent the invention of Burgess accepts persons with longer life expectancies, or produces policies reflecting same, to that extent also would the payer responsible for the

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policies—such as an insurance company--have their reserve requirements reduced by regulators.).

G. As per claim 7, Burgess discloses a method wherein said new insurance company does not require reinsurance (The Examiner notes that nowhere in the invention of Burgess is it indicated that reinsurance is required for a lender or any other party. Furthermore the Examiner notes that the purpose of reinsurance is to share or mitigate undue risk, and that an expressed goal of the Burgess invention itself is to protect against undue risk to the parties involved, which suggests a reduced need for reinsurance, see Burgess: col 3, lns 46-52).

H. As per claim 8, Burgess discloses a method wherein said owner or insured is guaranteed a certain level of income (Burgess: col 6, lns 3-10. The Examiner notes that the recited process of "...adjusting...contributions such that loans on the insurance policy by the employee are in part used for retirement income to the employee...", would provide a guaranteed level of income, given the proper adjustment.).

I. As per claim 9, Burgess discloses a method wherein said owner or insured is not taxed on distributions from said new insurance policy (Burgess: col 5, ln 64 to col 6, ln 2).

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- J. As per claims 14 and 15 Burgess discloses a method wherein a death benefit is reduced (Burgess: Table II, note that from ages 64 and beyond, the death benefit is reduced).
- K. As per claim 10, Burgess discloses an insurance method, comprising:  
reviewing an owner or insured's insurance policy holdings (Burgess: col 4, Ins 21-25. The Examiner considers making "...the selection of an optimized collection of related terms of a combined insurance, loan and employment arrangement...", to include a review of the insured's holdings.);  
reapportioning said owner or insured's insurance policy holdings (Burgess: col 4, Ins 21-25. The Examiner considers "...the transfer of value from an employer to an employee," to be a form of reapportioning the insured's holdings.)  
per AHL factors with a data processing apparatus (Burgess: col 5, Ins 23-44).  
providing said owner or insured a contract so that if said owner or insured pays a newly calculated premium, then said owner or insured's contract will remain in force (Burgess: col 4, Ins 45-47).
- L. As per claim 12, Burgess discloses a method wherein said reviewing occurs when no great life change has occurred (The Examiner notes that the method of Burgess requires no great life change to occur in order to review the insured's policy holdings.).

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M. As per claim 13, it is rejected for the same reasons provided for the “reapportioning” step of claim 10.

N. As per claim 16, Burgess discloses a method further comprising sharing the benefits of said owner or insured's insurance policy (Burgess: col 5, ln 58 to col 6, ln 2. Note that the death benefit is shared between the beneficiaries and the lender.) in return for providing said owner or insured said guarantee (Burgess: col 6, lns 3-10. The Examiner notes that the recited process of “...adjusting...contributions such that loans on the insurance policy by the employee are in part used for retirement income to the employee...”, would provide a guaranteed level of income, given the proper adjustment.). See the related rejection above regarding 35 USC section 112, paragraph 2.

6. Claim 17 is rejected under 35 U.S.C. 102(b) as being anticipated by Finrock et al. (US Pat#5,592,379, hereinafter Finrock).

A. As per claim 17, Finrock discloses an insurance method (Finrock: col 1, lns 41-42, note that a form of insurance is an instrument which is “...used to provide protection against uncertain costs.” Further, see Burgess: col 2, lns 31-32. The Examiner notes that although the costs associated with increasing age are expected, they are still uncertain.) comprising:

reviewing an insured's AHL factors (Finrock: col 1, ln 64 to col 2, ln2) with a data processing apparatus (Finrock: col 3, lns 41-45);



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offering a contract to the insured which only pays out a benefit if the insured lives longer than an agreed upon period of time (Finrock: col 2, Ins 19-29; col 3, Ins 15-21. The Examiner notes that since each time a participant dies between payouts, the next payout to remaining pool participants increases. The Examiner considers such a marginal increase in the payout to be a benefit, and one that is only paid out to remaining participants--i.e. the insured—if they live longer than an agreed upon period of time. This period is the time between when the pool begins, and the time of a payout following the death of another participant.).

### ***Conclusion***

7. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. The cited but not relied upon patent prior art discloses insurance methods involving age, health, and life expectancy-based pricing (PG Pub# 2004/0030589); pooling and securitization of policies as investment and risk management vehicles (PG Pub# 2004/0064391); and a product that does not provide benefits until a person reaches Social Security age (PG Pub# 2003/0023544). The cited but not relied upon non-patent literature discloses a product providing benefits to senior citizens in increasing dollar amounts as members of the investment pool die off (Kichen).

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Martin A. Gottschalk whose telephone

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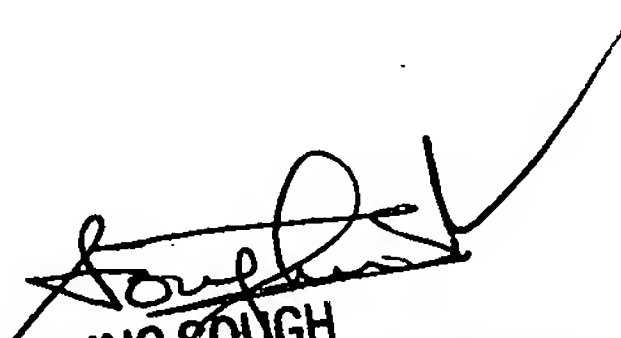
number is (571) 272-7030. The examiner can normally be reached on Mon - Fri 8:30 - 5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached on (571) 272-6776. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



MG  
04/28/05



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